

**CITY COUNCIL STUDY SESSION ON  
UNFUNDED PROGRAMS  
NEW INITIATIVES**

**SAN JOSE, CALIFORNIA**

**THURSDAY, FEBRUARY 22, 2007**

The Council of the City of San José convened in study session at 9:04 a.m. in the Council Chambers, City Hall.

Present: Council Members - Campos, Chirco, Constant, Cortese, Liccardo, Nguyen, Pyle, Williams; Reed.

Absent: Council Members - None.

Vacant: - Districts 4 and 6.

Staff: Assistant City Attorney Bill Hughes, City Manager Les White, Acting Budget Director Jennifer Maguire, Chief of Staff Deanna J. Santana, Budget Consultant Larry Lisenbee, Director of Finance Scott Johnson, City Clerk Lee Price, Legislative Secretary Susan Davis.

Documents Filed: Information memorandum from City Manager Les White, dated February 15, 2007, transmitting background information on the New and Unfunded General Fund Initiatives/Program.

The purpose of this study session was to seek input from the Council for the development of the Mayor's March Budget Message and provide the initial forum for review of ideas leading to the development of the message.

**Overview of the results of the January 20, February 13 and February 20, 2007 Priority Setting Discussions**

Chief Deputy City Manager Kay Miner presented an overview of the results of the January 20, February 13 and February 20, 2007 Priority Setting discussions.

Mayor Reed requested that Staff ensure it is clear that the priority setting sessions and neighborhood meetings did not rank priority of the top five New and Unfunded General Fund Initiatives/Programs.

Access the video, the agenda and related reports for this meeting by visiting the City's website at <http://www.sanjoseca.gov/clerk/agenda.asp> or <http://www.sanjoseca.gov/clerk/MeetingArchive.asp>

## **Review of the City's New and Unfunded General Fund Initiatives and Needs and Major General Fund Service Reductions for the Past Five Years**

- (a) New and Unfunded General Fund Initiatives/Programs**
- (b) Unmet/Deferred Infrastructure and Maintenance Needs**
- (c) 2002-2003 – 2006-2007 Major General Fund Reductions**

Acting Budget Manager Jennifer Maguire presented a brief overview of the City's New and Unfunded General Fund Initiatives and Needs and Major General Fund Service Reductions for the Past Five Years.

Director of Finance Scott Johnson presented a Statement of Net Assets and responded to questions from Council.

Vice Mayor Cortese arrived at 9:21 a.m., Council Member Liccardo arrived at 9:31 a.m. and Council Member Pyle arrived at 9:57 a.m.

Council discussion followed.

Council Member Campos noted it was helpful that the New and Unfunded General Fund Initiatives/Programs were not prioritized and asked that Staff look at the options, priorities, and rank those items on whether they are legally mandated or not, and to include a process for doing that.

Mayor Reed asked when options and alternatives for the unfunded liability for Medicare retirees would be discussed. Budget Consultant Larry Lisenbee replied that topic would be covered during the 2007-08 budget process. Chief of Staff Deanna Santana added that Staff is currently exploring options, most cost effective ways and will be evaluating what other cities are doing.

Council Member Constant suggested with regard to the GASB 43/45 that Staff consider providing to employees, an "employee plus one" option.

### **Public Comment**

Erik Larsen (AFSCME MEF 101) spoke regarding the Custodial Phasing Plan proposal and argued that it should be 4 year phasing plan in lieu of a 2 year phasing plan.

Sue McAllister (West Coast Aquatics Program) spoke to the merits of the Citywide Aquatics Water Program.

The study session was adjourned at 10:47 a.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC  
City Clerk

smd/2-22-07 Unfunded MIN

Access the video, the agenda and related reports for this meeting by visiting the City's website at <http://www.sanjoseca.gov/clerk/agenda.asp> or <http://www.sanjoseca.gov/clerk/MeetingArchive.asp>